



BETHEL CONSTRUCTION EXCISE TAX INFORMATION

What Is the Construction Excise Tax for Bethel School District?

The Oregon Legislature passed a law (ORS 320.170 — 320.189) that provides a financial tool to help school districts pay for a portion of the cost for new, updated or expanded facilities as it relates to residential and business development in the community. The law authorizes a school district, in cooperation with cities and counties, to tax certain new residential and non-residential development. Specifically, the tax applies to certain improvements to real property that result in a new structure (see reverse for details).

What Does the Tax Pay For?

The excise tax revenue can only be used for “capital improvements,” including:

- Acquisition of land
- Construction, reconstruction, or improvement of school facilities
- Acquisition or installation of equipment, furnishings or other tangible property
- Payment for architectural, engineering, legal or similar costs related to capital improvements or any other expenditure for assets that have a useful life of more than one year
- Payment of obligations and related costs of issuance that are issued to finance or refinance capital improvements
- Payment of obligations issued to finance or refinance capital improvements as defined above.

Who Has to Pay and When?

The tax is required to be paid by the developer or property owner who is developing property within Bethel School District boundaries. The tax is paid when a permit is issued by either Lane County or the City of Eugene.

Who Is Exempt from Paying the Tax?

The following are exempt from the Construction Excise Tax:

- Private school improvements
- Public improvements as defined in ORS 279A.010
- Residential housing that is guaranteed to be affordable (under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80% of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction for residential house)
- Public or private hospital improvements
- Improvements to religious facilities primarily used for worship or education associated with worship
- Agricultural building as defined by ORS 455.315
- Long term care facilities operated by a not-for-profit corporation, as defined in ORS 442.015
- Residential care facilities operated by a not-for-profit corporation, as defined in ORS 443.400
- Continuing care retirement communities operated by a not-for-profit corporation, as defined in ORS 101.020

How Much Is the Tax?

The tax is \$1.05 per square foot on residential construction and 53 cents per square foot on non-residential construction. For non-residential construction only, the excise tax is limited to \$26,400 per building permit or \$26,400 per structure, whichever is less.

Is This a Permanent Tax?

No. The 2007 Act is automatically repealed on January 2, 2018.

Whom Can I Contact for More Information?

If you have additional questions, you may contact the Bethel School District's Business Manager via e-mail at: emooney@bethel.k12.or.us or by phone: (541) 689-3280.

Collection Methodology

1. For purposes of calculating the Construction Excise Tax, residential uses shall include:

- Single-unit houses
- Multiple-unit houses
- Non-transient boarding houses
- Adult foster care homes and congregate living facilities
- Dormitories (as defined in State Building Code)
- Manufactured dwellings
- A residential building moving from one property to another

2. Residential square footage measurements shall be made in accordance with guidelines established by the State of Oregon Building Codes Division. Square footage shall include the gross floor area of the structure including unfinished basements and bonus rooms. Gross floor area shall not include:

- Garages
- Carports
- Covered walkways
- Exterior decks
- Covered porches and patios
- Sunrooms
- Accessory structures such as garden sheds, shops, ramadas and other similar outbuildings

3. Residential and non-residential additions and alterations are exempt.

4. Hotels, motels, and transient boarding houses shall be considered non-residential uses.

5. Square footage of non-residential uses shall include the gross floor area of the building or addition measured in accordance with guidelines established by the State of Oregon Building Codes Division. When measurements refer to an interior or exterior wall and no wall exists, measurements shall include the useable area under the horizontal projection of the roof or floor above.

6. A manufactured home that replaces an existing manufactured home in a manufactured home park is exempt.

7. A moved building, if it is being moved to another location on the same property, is exempt.

8. Where an existing residential or non-residential use is removed from a property (in part or in total) within one year of applying for the building permit, a credit towards the tax for the new use shall be applied based on the square footage and use of the existing building. No tax credit shall be applied if there is no record of the square footage of the existing use or if the existing use was not lawfully established. Excise tax credits are non-transferable to other properties beyond the subject tract of land.

9. The Construction Excise Tax shall be applicable to building permit applications received on or after the effective date of the Intergovernmental Agreement (IGA) between the District and City for collecting the tax. Should an increase in the tax be authorized, the new rate shall be applicable to building permit applications received on or after the effective date of the increase.

10. The tax shall not apply to communication towers, water tanks, retaining walls, swimming pools, private bridges, covered play structures, or structures that do not require a building permit.